

1 **COHEN DOWD QUIGLEY**  
2 The Camelback Esplanade One  
3 2425 East Camelback Road, Suite 1100  
Phoenix, Arizona 85016  
3 Telephone 602•252•8400

4 Daniel P. Quigley (009809)  
5 Email: [DQuigley@CDQLaw.com](mailto:DQuigley@CDQLaw.com)  
6 Daniel E. Durchslag (017213)  
Email: [DDurchslag@CDQLaw.com](mailto:DDurchslag@CDQLaw.com)

7 Attorneys for *Plaintiff*

8  
9 **UNITED STATES DISTRICT COURT**  
10 **DISTRICT OF ARIZONA**

11 Everything Tobacco LLC, a Florida limited  
12 liability company,

13 Plaintiff,

14 vs.

15 Circle K Procurement and Brands, Ltd., an Irish  
16 private company limited by shares,

17 Defendant.

18 Case No: \_\_\_\_\_

19 **COMPLAINT**

20 **JURY TRIAL DEMANDED**

21 Plaintiff Everything Tobacco, LLC (“Everything Tobacco”) files this Complaint  
against Circle K Procurement and Brands, Ltd. (“CK Brands”). In support of its Complaint,  
Everything Tobacco alleges as follows:

22 **NATURE OF THE CASE**

23 1. Everything Tobacco’s business involves importing and distributing various  
24 tobacco products, including the Canadian cigarette brand, Seneca.

25 2. CK Brands sources and purchases products, such as tobacco products, to be  
26 sold in various stores, including in Circle K corporate and franchise stores.

1       3. At the time of filing this Complaint, there are 6,634 Circle K stores in the  
2 United States. Florida has the most Circle K stores, totaling 914 corporate and franchise  
3 locations.

4       4. Everything Tobacco and CK Brands entered into the U.S. National Purchase  
5 Agreement (the “Agreement”) on April 1, 2022. A true and correct copy of the Agreement is  
6 attached as Exhibit A to this Complaint.

7       5. By the terms of the Agreement, Everything Tobacco was to supply Circle K  
8 stores its Seneca product, in exchange for Seneca being named as the preferred Tier 4  
9 cigarette. As an added benefit to CK Brands, Everything Tobacco negotiated for and  
10 provided significant manufacturer rebates to CK Brands on the sale of Seneca products.

11       6. Following a change in its internal corporate structure, CK Brands wrongfully  
12 attempted to effectively terminate the Agreement, not pursuant to the Agreement’s  
13 negotiated termination provision, but by reducing the number of Circle K stores Seneca was  
14 sold in to zero.

15       7. Immediately prior to CK Brands’ wrongful actions, and at a time when  
16 Everything Tobacco was successfully performing its obligations under the Agreement,  
17 Everything Tobacco was selling Seneca products in approximately 5700 Circle K stores  
18 throughout the United States.

19       8. Everything Tobacco made repeated efforts to notify CK Brands of its breach  
20 and to resolve the dispute. CK Brands simply ignored Everything Tobacco.

21       9. On January 4, 2024, Everything Tobacco sent a demand letter to CK Brands.  
22 A business-to-business discussion between Everything Tobacco and CK Brands  
23 representatives followed the demand letter, but CK Brands was unwilling to negotiate in  
24 good faith or remedy its breach.

25       10. Accordingly, Everything Tobacco brings this action alleging claims for breach  
26 of contract and breach of the implied covenant of good faith and fair dealing against CK  
27 Brands.

## **PARTIES, JURISDICTION AND VENUE**

11. Plaintiff Everything Tobacco, LLC is a limited liability company incorporated  
in the state of Florida with its principal place of business in the state of Florida.

12. Defendant Circle K Procurement and Brands, Ltd. is an Irish private company  
5 limited by shares incorporated in the country of Ireland with its principal place of business in  
6 Ireland.

13. Subject matter jurisdiction is proper in this Court under 28 U.S.C. § 1332 because there is complete diversity between the parties, and Everything Tobacco seeks damages in an amount greater than \$75,000.

10        14.      Venue is proper pursuant to the forum selection clause in Section 10.8 of the  
11 Agreement.

12 15. In accordance with Fed. R. Civ. P. 38, Everything Tobacco demands a jury  
13 trial on all claims.

## **GENERAL ALLEGATIONS**

## I. THE AGREEMENT.

16        16. Through its four U.S. distribution centers, Everything Tobacco distributes  
17 Seneca to a wide-range of retailers, from small family-owned smoke shops to large-scale  
18 retailers, like Circle K stores.

17. Everything Tobacco began importing Seneca cigarettes in 2014, working as  
the exclusive importer for Grand River Enterprises (“Grand River”). Grand River is the  
largest privately owned indigenous company in the world.

18. In support of an expanded market for its cigarettes, Grand River invested over  
\$21 million into the Everything Tobacco/CK Brands Agreement, including via increased  
product output and significant manufacturer rebates.

25        19.    Everything Tobacco's exclusive partnership with Grand River has brought to  
26 scale an international business that brings together the traditions of the indigenous  
27 communities and the robust tobacco importing industry.

1       20.     Everything Tobacco began selling products to multiple Florida Circle K  
2 franchise stores in 2013. Seneca quickly became a recognized brand name in these stores  
3 such that customers began to ask for the product by name. This acquired brand recognition  
4 and goodwill meant that Seneca frequently outperformed other Tier 4 cigarettes.

5       21.     Following its success in Florida, Everything Tobacco began to expand into  
6 other Circle K business units. This expansion included the Gulf Coast business unit, where  
7 Everything Tobacco continued to build on its relationship with CK Brand representatives.

8       22.     As a result of Seneca's excellent sales volume in both Circle K corporate and  
9 franchise locations throughout the United States, in 2021 CK Brands and Everything  
10 Tobacco negotiated an agreement that would place Seneca products in both franchise and  
11 corporate stores throughout the United States.

12      23.     Pursuant to the terms of the Agreement, Everything Tobacco agreed to sell  
13 and supply to CK Brands, Seneca cigarettes for sale at Circle K corporate and franchise  
14 stores throughout the United States. As a condition, CK Brands agreed to recognize Seneca  
15 as its preferred Tier 4 cigarette.

16      24.     As part of that promise, CK Brands agreed to, among other agreements, place  
17 large signage at each point of sale, signaling that Seneca was the lowest price preferred  
18 cigarette.

19      25.     In exchange, Everything Tobacco offered generous, above market  
20 manufacturer rebates to CK Brands for the sale of Seneca products.

21      26.     Everything Tobacco's willingness to enter into the Agreement was, in part,  
22 based on Everything Tobacco's desire to grow Seneca's brand name recognition throughout  
23 the United States. CK Brands' representatives were made aware of this objective during the  
24 negotiation of the Agreement.

25 **II. BREACH OF THE AGREEMENT.**

26      27.     At times, during the operative period of the Agreement, Everything Tobacco  
27 representatives observed point of sale displays at Circle K stores without the agreed upon  
28 signage promoting Seneca as the preferred Tier 4 cigarette.



1       28. During the life of the Agreement, however, Seneca consistently performed  
2 well in Circle K stores. In some regions, Seneca was in the top 10 rank for overall cigarette  
3 sales. In fact, CK Brands' representatives commented on Seneca's success on several  
4 occasions.

5       29. On August 17, 2023, less than a year and a half into the Agreement, CK  
6 Brands representative, Jordan Rizzo, emailed Everything Tobacco representative, Georgia  
7 Tilman, stating that "Circle K has made the decision to exercise our right under Section 1.4  
8 of our Contract." A copy of this email is attached as **Exhibit B**.

9       30. The Agreement contains a specific termination provision at Section 5. Under  
10 this section, CK Brands is permitted to terminate the Agreement, but only with cause, and  
11 only after providing Everything Tobacco a written notice and a 60-day cure period.

12       31. Rather than invoke Section 5 of the Agreement, CK Brands purported to  
13 invoke Section 1.4. This section gave CK Brands the option to increase or decrease the  
14 number of Circle K stores in which Seneca products would be sold.

15       32. CK Brands had the option to exercise Section 1.4 based on Seneca's sales  
16 performance in particular stores or regions. It did not allow, and was never intended to  
17 allow, CK Brands the ability to effectively terminate the Agreement.

18       33. At the time CK Brands invoked Section 1.4, Everything Tobacco was  
19 providing Seneca products to more than 5,700 Circle K corporate and franchise locations.

20       34. At no time prior to invoking Section 1.4 of the Agreement did anyone at CK  
21 Brands advise or suggest to Everything Tobacco that Seneca was underperforming, or advise  
22 or suggest any issues in the Everything Tobacco and CK Brands relationship.

23       35. CK Brands breached the Agreement by purporting to decrease the number of  
24 stores in which Seneca would be sold to zero, effectively terminating the Agreement, but  
25 outside of the Agreement's actual termination provision. At no time, before or after  
26 invoking Section 1.4, did CK Brands attempt to invoke Section 5 to terminate the  
27 Agreement.

28



1 36. At no time did CK Brands provide Everything Tobacco a rationale or basis  
2 for the purported “lack of performance” prompting the invocation of Section 1.4.

3 37. Accordingly, CK Brands has breached the terms of the Agreement.

### III. ONGOING DAMAGE TO EVERYTHING TOBACCO.

5       38.     As a direct result of CK Brands' breach of the Agreement, Everything  
6     Tobacco has suffered significant harm and been prevented from enjoying the benefit of the  
7     bargain associated with the Agreement. Moreover, as a result of CK Brands' breach  
8     Everything Tobacco lost a key distributor of Seneca products, JJ Taylor.<sup>1</sup>

9       39.     Everything Tobacco and JJ Taylor had been doing business with each other  
10 since 2010 and had formed a lucrative partnership. In fact, JJ Taylor was responsible for  
11 more than 55% of Everything Tobacco's business in Florida.

12 40. Everything Tobacco's loss of JJ Taylor as a distributor has forced Everything  
13 Tobacco to locate multiple, smaller distributors, resulting in increased expenses and a loss of  
14 revenue and profit.

15 41. JJ Taylor cited a lack of volume of Seneca product available in Florida as a  
16 reason for ending the long-standing partnership.

17 42. This is just one example of the damage suffered by Everything Tobacco as the  
18 result of CK Brands' breach of the Agreement.

## **COUNT ONE**

### **(Breach of Contract)**

21 43. Everything Tobacco incorporates the factual allegations contained in  
22 paragraphs 1-42.

23 44. For valid consideration, the parties entered into the Agreement, which  
24 contains a specific, discrete termination provision.

25        45.      The Agreement is a valid contract under Arizona law. Everything Tobacco has  
26 performed its obligations under the Agreement at all times.

<sup>28</sup> <sup>1</sup> JJ Taylor operated under LMT Trading Company, which was formed to distribute tobacco products separate from JJ Taylor's beer and alcohol products.

1 46. By engaging in the conduct described above, CK Brands breached the  
2 Agreement. Their conduct breached the express terms of the Agreement, unfairly depriving  
3 Everything Tobacco of the reasonably expected benefits of the Agreement.

4 47. Everything Tobacco has been damaged by CK Brands' breach in an amount  
5 no less than \$6,000,000.00 which amounts are increasing, plus accrued and accruing interest,  
6 plus accruing attorneys' fees and costs pursuant to statute, contract, or other authority.

7 48. Pursuant to Section 1.6 of the Agreement and A.R.S. §§ 12-341.01 and 12-341,  
8 Everything Tobacco is entitled to recovery from CK brands for its reasonable attorneys' fees  
9 and costs of this action.

## COUNT TWO

### (Breach of Implied Covenant of Good Faith and Fair Dealing)

12 49. Everything Tobacco incorporates the factual allegations contained in  
13 paragraphs 1-48.

14 50. As described above, Everything Tobacco and CK Brands are parties to a valid  
15 and binding contractual relationship.

16       51. As with every contract governed by Arizona law, this contractual relationship  
17 includes an implied covenant of good faith and fair dealing, which, among other  
18 prohibitions, prohibits CK Brands from acting in such a manner as to deprive Everything  
19 Tobacco of the benefits of the contract.

52. By, among other actions, purporting to effectively terminate the Agreement  
under Section 1.4 rather than invoking the agreed upon termination provision, Everything  
Tobacco has been deprived of its right to receive the benefits of the Agreement and has  
been damaged by CK Brands' breach in an amount no less than \$6,000,000.00, which  
amounts are increasing, plus accrued and accruing interest, plus accruing attorneys' fees and  
costs pursuant to statute, contract, or other authority.

53. Pursuant to Section 1.6 of the Agreement and A.R.S. §§ 12-341.01 and 12-341,  
Everything Tobacco is entitled to recovery from CK brands for its reasonable attorneys' fees  
and costs of this action.

## **REQUESTED RELIEF**

Everything Tobacco requests judgment in its favor and against CK Brands as follows:

A. Awarding Everything Tobacco its actual, compensatory, and consequential damages in an amount proven at trial, including prejudgment and post-judgment interest at the highest legal rate;

B. Awarding Everything Tobacco its Attorneys' fees and costs pursuant to section 10.6 of the Agreement, Ariz.Rev.Stat. §§12-341.01 and 12-341, and any other applicable law, statute, or legal authority; and

C. Awarding Everything Tobacco any other relief the Court deems appropriate.

DATED this 22nd day of February, 2024.

**COHEN DOWD QUIGLEY**  
The Camelback Esplanade One  
2425 East Camelback Road, Suite 1100  
Phoenix, Arizona 85016  
Attorneys for Everything Tobacco, LLC

By: /s/ Daniel P. Quigley  
Daniel P. Quigley  
Daniel E. Durchslag

OHEN DOWD QUIGLEY

